

PTO/PC 06 MAY 2002

Express Mail No. EV049903788US

UNITED STATES RECEIVING OFFICE (RO/US)

#3

Re	International Appln. No. PCT/GB00/01199
International Filing Date	(March 29, 2000)
Applicant	Nikolay Zheludev
U.S. Serial No.	09/937,736
U.S. Filing Date	September 28, 2001
Title of Invention	TRANSMITTING AND RECEIVING APPARATUS
Agent's File	H48.12-0001

**PETITION TO MAKE APPLICATION FOR PATENT  
ON BEHALF OF AND AS AGENT FOR JOINT INVENTORS  
WHO REFUSE TO SIGN (37 C.F.R. § 1.47(B))**

Commissioner of Patents and Trademarks  
Washington, D.C. 20231

I HEREBY CERTIFY THAT THIS PAPER  
IS BEING SENT BY EXPRESS MAIL, TO  
THE COMMISSIONER OF PATENTS AND  
TRADEMARKS, WASHINGTON, D.C.  
20231, THIS

6 DAY OF May 2002  
*[Signature]*  
PATENT ATTORNEY

Sir:

Hex Technology Holdings Limited, the juristic entity with sufficient proprietary interest in the present application, hereby petitions, in accordance with 37 C.F.R. § 1.47(b), (a) to make application for patent on behalf of and as agent for joint inventors who refuse to execute this application, and (b) for the filing date of the original papers submitted on September 28, 2001, to be given this application.

Enclosed with this petition are:

- Combined Declaration and Power of Attorney Signed By Agent of Owner With Sufficient Proprietary Interest On Behalf Of Non-Signing Inventors Who Refuse to Sign;
- Statement Establishing Proprietary Interest By Person Signing On Behalf Of Non-Signing Inventors, and Exhibits A-G;

- Statement by Person Having First Hand Knowledge that Non-signing Inventors were Employees or Otherwise Obligated to Person with Sufficient Proprietary Interest When Invention Made;
- Statement of Facts and Declaration in Support of Filing on Behalf of Non-Signing Inventors
- Notification of Missing Requirements Under 35 U.S.C. 371 in the United States Designated/Elected Office (DO/EO/US);
- Petition For Four-Month Extension Of Time And Fee;
- Two Charge Authorization Forms, one in the amount of \$720 to cover the four-month extension fee and one in the amount of \$65 to cover the surcharge fee for small entity;
- Petition fee of \$130.00 for this Petition.

As set forth in the enclosed materials, the juristic entity with sufficient proprietary interest in the present application is Hex Technology Holdings Limited, with principle address of 40 Esplanade, P.O. Box 301, St. Helier, Jersey JE4 8UG (sometimes called the Assignee). Hex Technology Holdings Limited was the employer of both Nikolay Zheludev and Boris Kokorin at the time the invention was made and at the time the International application on which this U.S. application is based was filed. The present application was filed without a signed Declaration, but with the required National Stage Filing Fee on September 28, 2001, under the provision of 35 U.S.C. § 371. Priority on International application PCT/GB/00/01199 and on British application 9907253.0 has been claimed. Hex Technology Holdings Limited was the Applicant of both priority Applications.

Thereafter, as shown in the accompanying statement of facts, efforts to reach and obtain signature on the above application by Nikolay Zheludev and Boris Kokorin, the inventors were made. One inventor has been unavailable after diligent efforts to communicate with him and the other inventor refused to

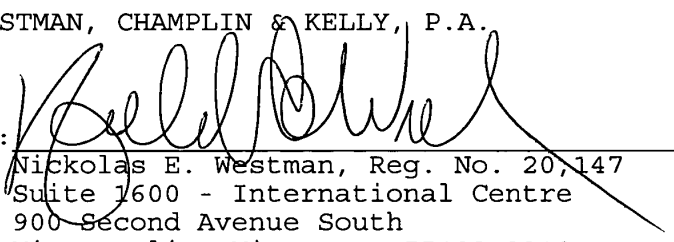
sign unless the unavailable inventor signed. Both Mr. Zheludev's and Mr. Kokorin's rights in the subject matter of the present application are owned by Hex Technology Holdings Limited, pursuant to their employment with Hex Technology Holdings Limited.

The Commissioner is authorized to charge any additional fees associated with this paper or credit any overpayment to Deposit Account No. 23-1123. A duplicate of this Petition is enclosed.

Respectfully submitted,

WESTMAN, CHAMPLIN & KELLY, P.A.

By:



Nickolas E. Westman, Reg. No. 20,147  
Suite 1600 - International Centre  
900 Second Avenue South  
Minneapolis, Minnesota 55402-3319  
Phone: (612) 334-3222 Fax: (612) 334-3312

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## IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant : Nikolay Zheludev	
Serial No.: 09/937,736	
Filed : September 28, 2001	Group Art Unit:
For : TRANSMITTING AND RECEIVING APPARATUS	Examiner:
Docket No.: H48.12-0001	

**STATEMENT BY PERSON HAVING FIRST HAND KNOWLEDGE THAT  
NONSIGNING INVENTORS WERE EMPLOYEES OR OTHERWISE  
OBLIGATED TO PERSON WITH SUFFICIENT PROPRIETARY  
INTEREST WHEN INVENTION MADE**

Assistant Commissioner for Patents  
Washington, D.C. 20231

- I. I, Director of Hex Technology Holdings Limited, 40 Esplanade, P.O. Box 301, St. Helier, Jersey JE4 8UG, Channel Islands, UK, make this statement in support of the \*STATEMENT ESTABLISHING PROPRIETARY INTEREST BY PERSON SIGNING ON BEHALF OF NONSIGNING INVENTORS in this application, which statement I have read.
- II. I have also read the above-identified specification and claims.
- III. I confirm that I have first hand knowledge that the non signing inventors made the above-identified invention while in the employ of or otherwise obligated to the entity showing a proprietary interest as I now set forth:  
Mr. Nikolay Zheludev was employed by Hex Technology Holdings Limited as a Consultant pursuant to a Consultancy Agreement dated 3rd September 1997, and had made further undertakings in an Undertaking to Hex Technology Holdings dated 3rd September, 1997. Copies of the Consultancy Agreement and this Undertaking accompany this Declaration as Exhibits A and B. The Consultancy Agreement terminated 13th April 1999 and a copy of the Notice of Termination accompanies this Declaration as Exhibit C. Mr Zheludev signed an Assignment of the invention to Hex Technology Holdings Limited on 5th July 2000 and a copy of the Assignment accompanies this Declaration as Exhibit D.  
Mr. Boris Kokorin was employed as a Director of Hex Technology Limited of 14 Sparrow Grove, Otterbourne, Winchester, Hampshire SO21 2DL, England and a copy of

his Director's Service Contract dated 1st March, 1997 accompanies this Declaration as Exhibit E.

Mr. Kokorin was dismissed from the company on 19th November, 1998 and a copy of the Minute of the Directors' Meeting of 19th November, 1998 accompanies this Declaration as Exhibit F.

The whole contribution of Mr. Kokorin to this invention described and claimed in the Priority British application and in the International (PCT) application had been made before Mr. Kokorin's dismissal.

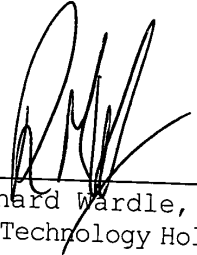
Hex Technology Limited has assigned to Hex Technology Holdings Limited all its right in the invention as derived from the employment by Hex Technology Limited of Mr Kokorin. A copy of the Assignment dated 2nd May 2002 accompanies this Declaration as Exhibit G.

#### DECLARATION

I declare that all statements made herein that are of my own knowledge are true and that all statements that are made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code and that such willful false statements may jeopardize the validity of the application or any patent issued thereon.

Date: 2<sup>nd</sup> May 02

By:

  
Richard Wardle, Director  
Hex Technology Holdings Limited

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant : Nikolay Zheludev  
Serial No.: 09/937,736  
Filed : September 28, 2001  
For : TRANSMITTING AND RECEIVING  
APPARATUS  
Docket No.: H48.12-0001

Group Art Unit:  
Examiner:

**STATEMENT ESTABLISHING PROPRIETARY INTEREST BY PERSONS  
SIGNING ON BEHALF OF NON-SIGNING INVENTORS**

*Exp. Mail Label EV049903788 US*

Assistant Commissioner for Patents  
Washington, D.C. 20231

I HEREBY CERTIFY THAT THIS PAPER IS  
BEING SENT BY U.S. MAIL, ~~FIRST~~ *Agnew*  
CLASS, TO THE COMMISSIONER OF  
PATENTS AND TRADEMARKS, WASHINGTON,  
D.C. 20231, THIS

*6* DAY OF *May*, *2002*  
*[Signature]*  
PATENT ATTORNEY

The undersigned hereby declares as follows:

- 1) I, Rupert Cross, am a European patent attorney licensed to practice before the European Patent Office and I am a British Chartered Patent Attorney. I supervised preparing and filing International application PCT/GB00/01199 and its priority British application 9907253.0, naming Hex Technology Holdings Limited as applicant.
- 2) I have been informed by Richard Wardle of Hex Technology Holdings Limited (called the Assignee), that Mr. Nikolay Zheludev and Mr. Boris I. Kokorin were employees of, or otherwise obligated to, Hex Technology Holdings Limited at the time the invention described in the above application was made.
- 3) Enclosed are the following:
  - Exhibit A: Consultancy Agreement, dated 3rd September 1997, between Hex Technology Limited and Nikolay Zheludev;
  - Exhibit B: Undertaking, dated 3rd September 1997, between Hex Technology Holdings Limited and Nikolay Zheludev;
  - Exhibit C: Notice, dated 13th April 1999, of termination of Consultancy by Nikolay Zheludev;

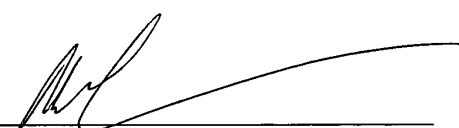
- Exhibit D: Assignment, dated 5th July 2000, from Nikolay Zheludev to Hex Technology Holdings Limited;
- Exhibit E: Directors Service Contract, dated 1st March 1997, between Hex Technology limited and Boris Kokorin;
- Exhibit F: Minute of Directors Meeting of 19th November 1998; and
- Exhibit G: Assignment, dated 2nd May 2002, between Hex Technology Limited and Hex Technology Holdings Limited.

4) As Mr. Zheludev was obligated to Hex Technology Holdings Limited at the time the invention of the above application was made, and has assigned the invention to Hex Technology Holdings Limited, and Mr. Kokorin was employed as a Director of, and had agreed to assign improvements to, Hex Technology Limited, which company has assigned its rights in the invention to Hex Technology Holdings Limited, it is my opinion that a Court of Competent Jurisdiction in the United Kingdom would by weight of authority in that jurisdiction, award the title of the invention to Hex Technology Holdings Limited, the Applicant signing the Declaration on behalf of and as agent for the listed inventors.

#### DECLARATION

I declare that all statements made herein that are of my own knowledge are true and that all statements that are made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code and that such willful false statements may jeopardize the validity of the application or any patent issued thereon.

Date: 2<sup>nd</sup> May '02

By:   
Rupert Cross, European Patent  
Attorney for Hex Technology  
Holdings Limited

## IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant :	Nikolay Zheludev	
Serial No.:	09/937,736	
Filed :	September 28, 2001	Group Art Unit:
For :	TRANSMITTING AND RECEIVING APPARATUS	Examiner:
Docket No.:	H48.12-0001	

**STATEMENT OF FACTS AND DECLARATION IN SUPPORT OF  
FILING ON BEHALF OF NONSIGNING INVENTOR  
(37 C.F.R. § 1.47)**

Assistant Commissioner for Patents  
Washington, D.C. 20231

This statement is made as to the exact facts that are relied upon to establish the diligent effort made to secure the execution of the declaration for the above-identified patent application by the nonsigning inventors before deposit of these papers and the Declaration signed by the assignee (owner) of the application in the U.S. Patent and Trademark Office.

Signing of the accompanying Declaration on behalf of the nonsigning inventors is by a person or entity showing a sufficient proprietary interest, and this statement also recites facts as to why this action is necessary to preserve the rights of the parties and to prevent irreparable damage.

This statement is being made by an available person having first-hand knowledge of the facts recited herein.

**IDENTIFICATION OF PERSON MAKING THIS STATEMENT OF FACTS**

Mr. Richard Wardle  
The Old Dairy  
Main Road  
Bosham  
Chichester  
West Sussex PO18 8EH  
England



**LAST KNOWN ADDRESS OF THE NONSIGNING INVENTORS**

Nikolay Zheludev  
50 Basset Crescent West  
Southampton SO16 7DX  
Great Britain

Boris I. Kokorin  
Old Arabat,  
33 Sivtev Vrajek Pereuioko,  
Apartment 10, 4th Floor, Moscow  
Russia

**DETAILS OF REFUSAL OF NONSIGNING INVENTOR  
TO SIGN APPLICATION PAPERS**

1. I am a Director of Hex Technology Holdings Limited.
2. On 19th November 1998, Boris Kokorin was dismissed from Hex Technology Limited for failure to perform his duties as a Director and Head of Science, and refused to take up an alternative position.
3. Shortly afterwards, he sold his home in England and Hex Technology Limited then lost contact with him.
4. Contact was reestablished through his London lawyers in 2000. However, his lawyer informed me that correspondence should still be sent to his Moscow home.
5. In 2000, after International application no. PCT/GB00/01199 was filed, repeated attempts were made to have an assignment in favour of Hex Technology Holdings signed by Mr. Kokorin. These attempts were made through his London lawyer. The assignment has not been signed by Mr. Kokorin to this day.
6. During 2001, I learned that Mr. Kokorin was operating in Durban, South Africa, but have no residential address for him there.

7. In December 2001, I received documents from Mr. Rupert Cross including the Combined Declaration and Power of Attorney for signature by Mr. Kokorin and Mr. Zheludev to perfect the United States patent application.

8. On 15th February 2002, I visited the offices of Mr. Kokorin's London lawyer to ask him about getting the US Declaration signed by Mr. Kokorin. He said he would take instructions but that he was not hopeful of success.

9. On 5th April 2002, I again met Mr. Kokorin's lawyer, and asked for a prompt decision on whether Mr. Kokorin would sign the US Declaration form. This was followed up by sending the lawyer, on 17th April 2002, a copy of the Declaration and Power of Attorney for signature. The lawyer confirmed, on 30th April 2002, that this had been forwarded to Mr. Kokorin but that he had not by then signed it and that I should not expect him to do so.

10. Throughout this period, I have been in regular contact with Nikolay Zheludev, who still resides in England and works at the University of Southampton. In the second half of year 2000, he informed me that he had been asked by Mr. Kokorin not to sign documents supporting the patent application. He told me that he would not be signing any further documents unless Mr. Kokorin had already agreed to sign. Because of my regular contact with him, I know this remains his position to this day. I believe he has personal reasons for taking this position. In view of his expressed decision, I have not supplied a copy of the Combined Declaration and Power of Attorney to Mr. Zheludev, as I still have not obtained the agreement of Mr. Kokorin to sign.

**PROOF OF NEED TO PREVENT IRREPARABLE DAMAGE OR  
PRESERVE THE RIGHTS OF THE PARTIES**

The present application was filed as a national stage filing of International application PCT/GB100/01199 on 29 March 2000. Application PCT/GB00/01199 was filed by Hex Technology Holdings Limited as applicant and is based on and claimed priority from British application no. 9907253.0 filed 29 March 1999. On September 28, 2001, within the time limits provided under the Patent Cooperation Treaty, the present U.S. national stage application was filed pursuant to 35 U.S.C. § 371. On November 6, 2001, a Notification of Missing Requirements under 35 U.S.C. 371 in the United States Designated/Elected Office (DO/EO/US) was issued by the United States Patent and Trademark Office. Throughout the maximum six month period provided to respond to the Notification of Missing Requirement, Hex Technology Holdings Limited or its representative has been diligently attempting to obtain the signatures of the inventors. If this Petition is not granted, the filing date and the claim of priority back to PCT/GB00/01199 and GB9907253.0 will be lost. This will irreparably damage the Assignee and owner, Hex Technology Holdings Limited.

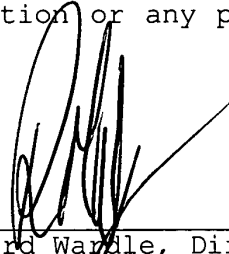
Additionally, it is likely that one of the inventors will be working in competition with Assignee, in a manner likely to bring the technology into disrepute.

**DECLARATION**

I declare that all statements made herein that are of my own knowledge are true and that all statements that are made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code and that such willful false statements may

jeopardize the validity of the application or any patent issued thereon.

Date: 2<sup>nd</sup> Mar 02

By:   
Richard Wandle, Director  
Hex Technology Holdings Limited

## CONSULTANCY AGREEMENT

This AGREEMENT is made the 3<sup>RD</sup> day of September 1997

### BETWEEN

- (1) **HEX TECHNOLOGY LIMITED** (number 3074289) whose registered office is at 14 Sparrowgrove Otterbourne Winchester Hampshire SO21 2DL ("Hex") and
- (2) **NIKOLAY ZHELUDEV** of 50 Bassett Crescent West Southampton Hampshire SO16 7DX ("the Consultant")

### RECITALS:

- (A) The Consultant is employed by the University of Southampton and has expertise in the field of physics.
- (B) Since about 1 January 1997 the Consultant has been carrying out consultancy work for Hex in relation to the technology defined below and has agreed to continue carrying out such consultancy work for the period of this Agreement.
- (C) Hex Technology Holdings Limited is the owner of the technology defined below and on 27 December 1996 the Consultant and that company entered into a confidentiality agreement governing the exchange between them of confidential information.
- (D) The Consultant agrees to assign to Hex Technology Holdings Limited any and all intellectual property rights in the results of the consultancy work referred to in Recital B.

### OPERATIVE PROVISIONS:

#### 1. Definitions/Interpretation

- 1.1 In this Agreement (which expression shall include the Schedules to this Agreement) the following words and expressions shall have the following

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meanings:

**“Documents”**

means any and all software, records, reports, documents, papers and other materials whatsoever acquired or originated by or on behalf of the Consultant in the course of the provision of the Services since the Effective Date;

**“the Effective Date”**

means 1 January 1997;

**“Hex Holdings”**

means Hex Technology Holdings Limited, a Jersey company (number 63860);

**“Improvements”**

means any and all improvements, developments, additions or updates in relation to the Technology or any part thereof acquired or originated by or on behalf of the Consultant during the course of or in any way whatsoever connected with the provision of the Services since the Effective Date;

**“Intellectual Property”**

means any and all intellectual property rights of whatever nature worldwide including (but not limited to) patents, utility models, design rights (registered or unregistered), copyright and trade mark rights and any pending patent application or granted patent in any

N12

jurisdiction claiming priority from or otherwise divided or derived from any such application;

**“Proprietary Information”**

means any and all technical and other confidential information in whatever form (written, oral or otherwise) which is now or at any time hereafter in the possession of the Consultant (including any such information disclosed by the Consultant to Hex Holdings and/or Hex as part of the Project whether prior to or after the date of this Agreement) and which relates in any way to the Technology and its development including (without limitation) data, know-how, formulae, processes, designs, photographs, drawings, specifications, software programs and samples and any other material bearing or incorporating any information relating to the Technology;

**“the Project”**

means the project described in Schedule 1;

**“Services”**

means the services to be provided by the Consultant in connection with the Project as more particularly set out in Schedule 2;

N12

**“the Site”**

means Suite D, Epsilon House, Science Park,  
Enterprise Road, Chilworth Research Centre,  
Southampton SO16 7NP or any other site  
agreed between the Consultant and Hex  
where the Consultant shall provide the  
Services under the provisions of this  
Agreement;

**“the Technology”**

means a method and device for measuring the  
electro magnetic field generated by living  
organisms and non living bodies for  
generating such a field and also producing an  
effect on (treatment of) bodies with the help  
of such a field as the same is (for indication  
purposes only) described in PCT Patent  
Application number HU93/00043 with  
international filing date 27 July 1993 a copy  
of which has been supplied to the Consultant  
together with all modifications and  
Improvements in respect thereof; and

**“the University”**

means the University of Southampton,  
England

- 1.2 Words denoting the singular shall include the plural and vice versa; words  
denoting any one gender shall include all genders and words denoting persons

N12



shall include (but not be limited to) firms and corporations.

1.3 Unless otherwise stated references to a clause or sub-clause or a schedule is a reference to a clause, sub-clause or schedule to this Agreement.

1.4 Clause headings in this Agreement are for ease of reference only and shall not affect its interpretation.

## **2. Duration**

The Consultant began to provide the Services on the Effective Date and in consideration of the obligations of Hex under this Agreement shall continue to provide the Services on the terms set out in this Agreement until 31 December 1997 subject to earlier termination of this Agreement as provided in clause 6. For the avoidance of doubt, the provisions of this Agreement shall take effect as from the Effective Date unless otherwise specified.

## **3. Positive obligations of the Consultant**

3.1 The Consultant agrees that it is of the essence of this Agreement that the Services shall be performed by him personally. The Consultant shall work with such other people as Hex shall appoint to work on the Project from time to time.

3.2 Subject to the Consultant's commitments to his work at Southampton University (which shall take precedence) the Consultant shall perform the Services at such times as are reasonably required by Hex either at the Site or at such other place as the Consultant and Hex shall agree.

3.3 The Consultant shall keep detailed written records of all acts and things done by him in relation to the provision of the Services and at Hex's request shall forthwith make written reports to Hex in such form as Hex shall reasonably

require.

3.4 The Consultant shall at all times during the period of this Agreement:

3.4.1 faithfully and diligently perform the Services to the best of his ability;

3.4.2 obey all lawful and reasonable directions of Hex .

3.5 Whilst Hex shall be responsible for specifying the general nature of the Services the Consultant shall be entitled to exercise his discretion in the manner of performance.

3.6 If the Consultant shall be prevented by illness or injury or the reasonable requirements of Southampton University from performing the Services the Consultant shall report that fact forthwith to Hex and, in the case of an absence of uncertain duration, shall keep Hex informed of the reason for his continued absence and of its expected duration.

3.7 The Consultant shall be responsible for paying his personal income tax and personal national insurance from his fees and the Consultant agrees to indemnify Hex in respect of any claims or demands which may be made by the relevant authorities against Hex in respect of his personal income tax and personal national insurance (and any penalties) relating to the provision of the Services by the Consultant.

3.8 **Intellectual property rights/confidentiality**

3.8.1 Forthwith following the acquisition or origination of any Improvement by or on behalf of the Consultant during the course of the provision of or otherwise related to the Services, the Consultant shall disclose full details of the same to Hex. In relation to any such Improvements acquired or

N12

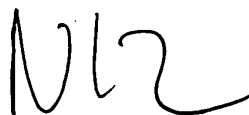
originated as aforesaid prior to the date of this Agreement, full details shall be disclosed to Hex as soon as practicable after the date of this Agreement (insofar as not already disclosed).

3.8.2 The Consultant undertakes to Hex to assign to Hex Holdings or its nominee (in such form as Hex shall reasonably require) all Intellectual Property Rights in and to any Improvements and all right, title and interest in all Proprietary Information acquired or originated by him or on his behalf during the course of or otherwise related to the Services. If the Consultant shall fail to execute such assignment then an authorised representative of Hex shall be entitled to sign such assignment on the Consultant's behalf as his attorney and such signature shall be binding on the Consultant.

3.8.3 The Consultant agrees to keep details of all Improvements, Proprietary Information and Documents secret and confidential and not at any time for any reason whatsoever to use them or disclose them or permit them to be disclosed to any person or persons except as permitted hereunder to enable the Consultant to carry out his duties and obligations.

3.8.4 The Consultant agrees to treat as secret and confidential and not at any time for any reason whatsoever to disclose or permit to be disclosed to any person or persons or otherwise make use of or permit to be made use of any information relating to Hex's technology, technical processes, business affairs, business plans, customers or finances.

3.8.5 The obligations of confidence referred to in this clause 3.8 shall not apply



to any Improvement, Proprietary Information or Document or any information embodied or contained therein insofar as the same:

- (a) is or becomes publicly available on a non-confidential basis through no fault of the Consultant;
- (b) is received in good faith by the Consultant from a third party who, on reasonable enquiry by the Consultant, claims to have no obligations of confidence to Hex in respect of it and who imposes no obligations of confidence upon the Consultant.

3.8.6 The obligations of the parties under this clause 3.8 shall (subject as set out in sub-clause 3.8.5) survive the expiry or termination of this Agreement for whatever reason.

3.9 If the Consultant shall consider it necessary to use the services of a third party whether for information or for the supply of goods or services including manufacture of models, prototypes, testing and the like, the Consultant must (except in matters of a minor and trivial nature) obtain the prior written consent of Hex before using such services.

#### **4. Payment**

4.1 In consideration of the provision of the Services and the other undertakings of the Consultant set out in this Agreement, Hex shall pay to the Consultant (exclusive of VAT) the sum of £40,000 (forty thousand pounds) in 12 monthly instalments of £3,333.33 each month.

4.2 All payments to the Consultant shall be made in equal instalments against the Consultant's invoices which shall be presented at the end of each calendar month

N12

during the period of the provision of the Services. All payments shall be made by Hex within 14 days following the receipt by Hex of the Consultant's invoice.

- 4.3 The Consultant shall be reimbursed for all expenses of travelling otherwise than to and from the Site provided that such expenditure is reasonably and necessarily incurred for the proper performance of the Services and further provided that the Consultant shall (a) produce to Hex upon request receipts and vouchers for all such expenses and (b) obtain prior written approval from Hex in relation to any proposed expenses exceeding £100.00.

## **5. Obligations of Hex**

- 5.1 Throughout the period of this Agreement Hex shall afford the Consultant such access to the Site and Hex's information, records and other material relevant to the Project as the Consultant may reasonably require to provide the Services provided always that Hex shall be obliged to afford such access only during its normal business hours. Further Hex shall:

- 5.1.1 advise the Consultant of the rules and regulations which are then in force for the conduct of personnel at the Site (which the Consultant shall observe);
- 5.1.2 make available such working space and facilities at the Site as the Consultant may reasonably require;
- 5.1.3 make available appropriate personnel to liaise with the Consultant.

## **6. Termination**

- 6.1 Either party may terminate this Agreement forthwith by notice in writing to the other if the other commits a breach of this Agreement which in the case of a

breach capable of remedy shall not have been remedied within 30 days of the receipt by the other of a notice from the innocent party identifying the breach and requiring its remedy.

6.2 Either party shall have the right to terminate this Agreement for any reason on 90 days' notice in writing to the other.

6.3 On termination of this Agreement payment of the monies referred to in clause 4.1 shall cease (except in relation to sums already accrued and owed to the Consultant). Subject to the foregoing termination of this Agreement for whatever reason shall not affect the accrued rights of the parties arising in any way out of this Agreement as at the date of expiry or termination and, in particular but without limitation, the right to recover damages against the other and all provisions which are expressed or intended to survive this Agreement shall remain in full force and effect.

6.4 Forthwith on termination of this Agreement for any reason the Consultant shall deliver up to Hex all Documents (including copies) in his possession or under his control.

**7. Publication of scientific papers by the Consultant**

Without prejudice to any other provision of this Agreement, the Consultant shall not publish any paper in any journal or other publication whatsoever relating in any way to the Technology without the prior written consent of Hex (and Hex shall be entitled to withhold or grant its consent in its absolute discretion).

**8. Miscellaneous**

8.1 The Consultant warrants that:-

N12

- 8.1.1 all appropriate personnel at the University whose approval may be required before the Consultant can enter into this Agreement, are aware of this Agreement and its material terms and have given such approval;
- 8.1.2 the Consultant has the full power and authority to enter into this Agreement;
- 8.1.3 nothing in this Agreement conflicts with any obligations, undertakings or warranties of the Consultant, whether to the University or otherwise.
- 8.2 Hex agrees not to use the name of the Consultant in connection with the Technology without the prior approval of the Consultant.
- 8.3 This Agreement shall in all respects (including formation and interpretation) be governed by the Laws of England and subject as set out below the parties shall submit any dispute hereunder or arising in connection herewith to the exclusive jurisdiction of the English Courts. Hex shall be entitled to pursue its rights and remedies in respect of a breach of the confidentiality obligations imposed upon the Consultant in the courts of any jurisdiction.
- 8.4 This Agreement embodies and sets forth the entire agreement and understanding of the parties and supersedes all prior oral or written agreements understandings or arrangements relating to the subject matter of this Agreement. Neither party shall be entitled to rely on any agreement, understanding or arrangement which is not expressly set forth in this Agreement.
- 8.5 This Agreement shall not create the relationship of employer/employee or principal/agent between the parties nor shall they be deemed to be partners.
- 8.6 No waiver by Hex of any breach by the Consultant of his obligations,

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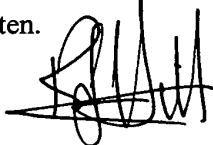
undertakings or warranties shall affect the subsequent enforcement of Hex's rights and remedies in relation to that or any other breach.

8.7 Any notice or other information required or authorised by this Agreement to be given by either party to the other may be given by hand or sent (by first class pre paid post facsimile transmission or comparable means of communication) to the other party at the address referred to at the head of this Agreement. Any such notice or other information given by post shall be deemed to have been given on the fourth working day after the envelope containing the same was posted and proof that the envelope containing any such notice or information was properly addressed and sent by first class pre paid post shall be sufficient evidence that notice or information has been duly given. Any such notice or other information sent by facsimile transmission or comparable means of communication shall be deemed to have been duly sent on the date of transmission.

8.8 Where there is more than one language version of this Agreement the English Language version shall prevail.

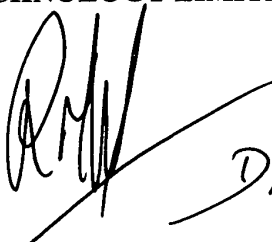
8.9 The Consultant acknowledges that he has had ample opportunity to take his own legal and tax advice in connection with this Agreement.

IN WITNESS WHEREOF the parties have executed this Agreement the day and year first above written.

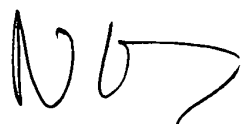


6 DOUGLAS GARDENS  
HAWKENT HANTS

SIGNED for and on behalf of  
HEX TECHNOLOGY LIMITED  
by:



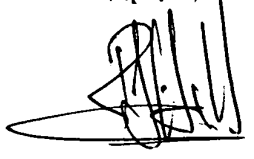
DIRECTOR





SIGNED by NIKOLAY ZHELUDEV  
in the presence of:

*N Zh*

*R. Hill*  


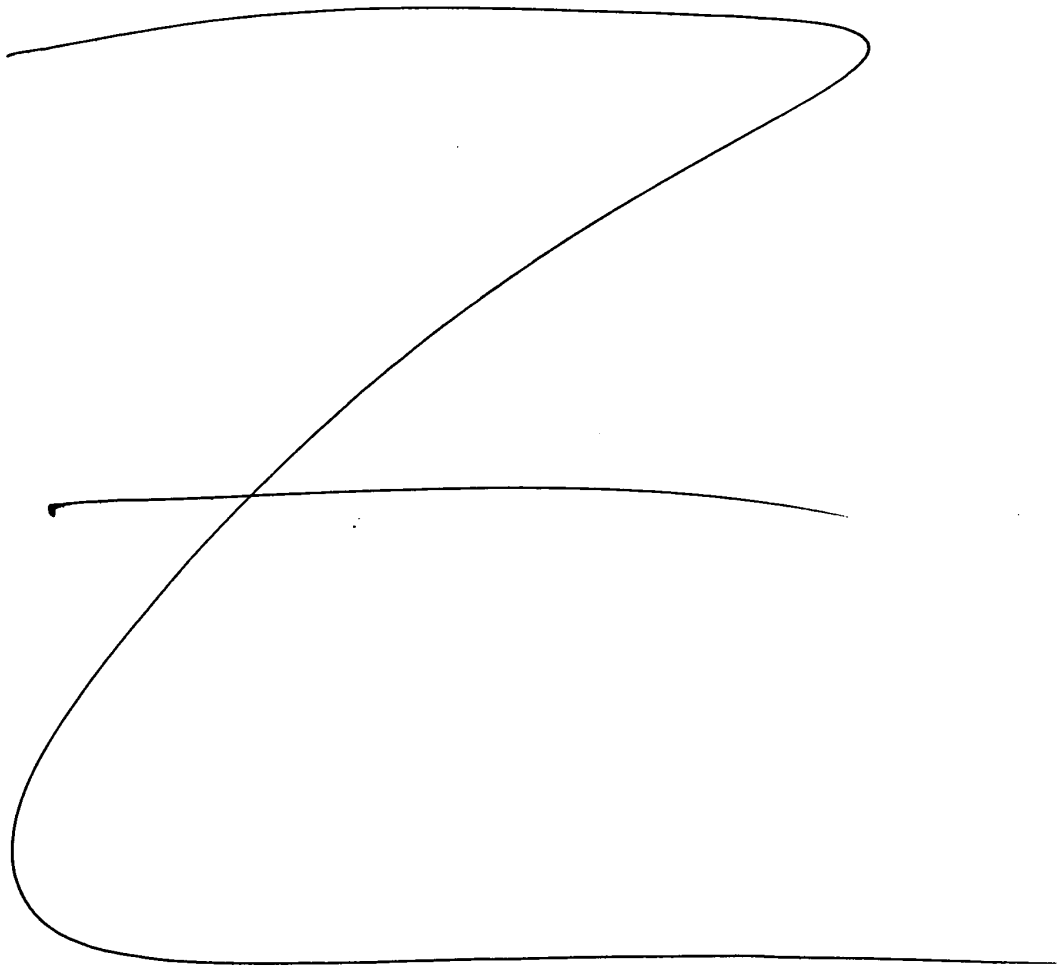
6 DOUGLAS GARDENS.  
HAWANT HANTS.

*All pages of the agreement  
have been initialed by N/Z*

**SCHEDULE 1****THE PROJECT**

The validation and development of the Technology including in particular:

- the investigation and understanding of the physical principles involved in the operation of the Technology,
- the design of appropriate equipment suitable for the implementation of the Technology,
- the development of new applications for the Technology.



**UNDERTAKING TO HEX HOLDINGS**

**THIS AGREEMENT** is made the 3<sup>rd</sup> day of September 1997

**BETWEEN**

- (1) **HEX TECHNOLOGY HOLDINGS LIMITED** (number 63860) a Jersey company whose registered office is at Queen's House Dons Road St. Helier Jersey JE4 8UZ ("Hex Holdings") and
- (2) **NIKOLAY ZHELUDEV** of 50 Bassett Crescent West Southampton Hampshire SO16 7DX ("the Consultant")

**RECITALS:-**

- (A) Hex Holdings is the owner of certain technology (defined below) and all intellectual property rights therein.
- (B) The Consultant is employed by the University of Southampton and has expertise in the field of physics.
- (C) Since about 1 January 1997 the Consultant has been carrying out consultancy work for Hex in relation to the technology defined below and has agreed to continue carrying out such consultancy work pursuant to a written consultancy agreement between them ("the Consultancy Agreement").
- (D) The Consultant has pursuant to the Consultancy Agreement agreed to assign all intellectual property rights in any improvements in the technology defined below direct to Hex Holdings and has further agreed to accept obligations of confidence in relation thereto direct with Hex Holdings in place of those accepted pursuant to an agreement between Hex Holdings and the Consultant dated 27 December 1996 ("the Confidentiality Agreement").

1012

**OPERATIVE PROVISIONS:-****1. Definitions/Interpretation:-**

- 1.1 In this Agreement words and expressions which appear in the Consultancy Agreement shall have the meanings attributed to them in the Consultancy Agreement.
- 1.2 In this Agreement "Samples" shall mean all samples, prototypes, working models and other items acquired or created by or on behalf of the Consultant in relation to the provision of the Services.
- 1.3 Words denoting the singular shall include the plural and vice versa; words denoting any one gender shall include all genders and words denoting persons shall include (but not be limited to) firms and corporations.
- 1.4 Unless otherwise stated references to a clause or sub-clause or a schedule is a reference to a clause, sub-clause or schedule to this Agreement.
- 1.5 Clause headings in this Agreement are for ease of reference only and shall not affect its interpretation.

**2. Undertakings of Consultant**

- 2.1 In consideration of the payment of the sum of £1 (one pound) by Hex Holdings to the Consultant (receipt of which is acknowledged) the Consultant gives the undertakings and warranties set out in this Agreement.
- 2.2 The Consultant shall keep detailed written records of all acts and things done by him in relation to the provision of the Services and at Hex Holdings's request shall forthwith make the originals thereof and any Samples available for inspection by Hex Holdings and/or provide copies to Hex Holdings . For the avoidance of doubt the property in all such written records and Samples shall vest

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in Hex Holdings.

- 2.3 Forthwith following the acquisition or origination of any Improvement by or on behalf of the Consultant during the course of the provision of or otherwise related to the Services, the Consultant shall disclose full details of the same to Hex Holdings. In relation to any such Improvements acquired or originated as aforesaid prior to the date of this Agreement, full details shall be disclosed to Hex Holdings as soon as practicable after the date of this Agreement (insofar as not already disclosed).
- 2.4 The Consultant undertakes to assign to Hex Holdings or its nominee all Intellectual Property Rights in and to any Improvements and all right, title and interest in all Proprietary Information acquired or originated by him or on his behalf during the course of or otherwise related to the Services.
- 2.5 The Consultant agrees to keep details of all Improvements, Proprietary Information and Documents secret and confidential and not at any time for any reason whatsoever to use them or disclose them or permit them to be disclosed to any person or persons except as permitted under the Consultancy Agreement to enable the Consultant to carry out his duties and obligations.
- 2.6 The Consultant agrees to treat as secret and confidential and not at any time for any reason whatsoever to disclose or permit to be disclosed to any person or persons or otherwise make use of or permit to be made use of any information relating to Hex Holdings's technology, technical processes, business affairs, business plans, customers or finances.
- 2.7 The obligations of confidence referred to in this clause 2 shall not apply to any Improvement, Proprietary Information or Document which:

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- (a) is or becomes publicly available on a non-confidential basis through no fault of the Consultant;
- (b) is received in good faith by the Consultant from a third party who, on reasonable enquiry by the Consultant, claims to have no obligations of confidence to Hex Holdings in respect of it and who imposes no obligations of confidence upon the Consultant.

2.8 The undertakings of the Consultant set out in this Agreement shall survive without limit in point of time except as set out in clause 2.7 and shall not be affected by the termination or expiry of the Consultancy Agreement.

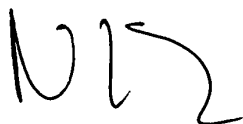
2.9 Upon the expiry or termination of the Consultancy Agreement for whatever reason, the Consultant shall forthwith deliver up to Hex Holdings all Samples and all originals and copies of all of the tangible Proprietary Information and Documents in the possession, power, custody or control of the Consultant.

2.10 The parties agree and acknowledge that the Confidentiality Agreement shall terminate on signature of this Agreement and that neither party shall have any right of action whatsoever against the other in relation to any breach or suspected breach thereof (whether arising prior to or after the date of this Agreement).

2.11 Without prejudice to any other provision of this Agreement, the Consultant shall not publish any paper in any journal or other publication whatsoever relating in any way to the Technology without the prior written comment of Hex Holdings (and Hex Holdings shall be entitled to withhold or grant its consent in its absolute discretion).

### 3. Miscellaneous

3.1 The Consultant agrees at any time hereafter at his own expense to execute such



further documents and do such acts as may reasonably be required by Hex Holdings to ensure the vesting in Hex Holdings of and the protection of all right, title and interest assigned pursuant to any provision of clause 2. The Consultant hereby irrevocably appoints the directors of Hex Holdings as his attorney in his name and on his behalf to sign such further documents and to do such acts and the Consultant shall not (except in a case of manifest error) raise any objection in relation thereto.

- 3.2 The Consultant warrants that he has full power and authority to enter into this Agreement and that nothing in this Agreement shall conflict with any obligation, undertaking or warranty of the Consultant to any other person.
- 3.3 The Consultant acknowledges that the provisions of the Consultancy Agreement and this Agreement are independent of each other and shall be enforceable as such but that where Hex Holdings seeks to enforce the terms of this Agreement in conflict with Hex's rights under the Consultancy Agreement the rights of Hex Holdings shall take precedence.
- 3.4 For the avoidance of doubt this Agreement shall take effect as from the Effective Date unless specified otherwise.
- 3.5 Hex Holdings agrees not to use the name of the Consultant in connection with the Technology without the prior approval of the Consultant.
- 3.6 This Agreement shall in all respects (including formation and interpretation) be governed by the Laws of England and subject as set out below the parties shall submit any dispute hereunder or arising in connection herewith to the exclusive jurisdiction of the English Courts. Hex Holdings shall be entitled to pursue its

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rights and remedies in respect of a breach of the confidentiality obligations imposed upon the Consultant in the courts of any jurisdiction.

3.7 Where there is more than one language version of this Agreement the English Language version shall prevail.

3.8 The Consultant acknowledges that he has had ample opportunity to take his own legal advice in connection with this Agreement.

**IN WITNESS WHEREOF** the Consultant has executed this Agreement as a Deed the day and year first above written

**EXECUTED as a DEED**  
by the said **NIKOLAY ZHELUDEV**  
in the presence of:



6 DOUGLAS GARDENS  
HAUANT HANTS.

All pages of the agreement  
have been initialized by NIZ



Exhibit C

Tuesday, 13 April 1999

Mr R. Wardle  
HEX Technology Ltd.  
Suite D, Epsilon House, Enterprise Rd.  
Chilworth Research Centre  
Southampton SO16 7NS

Dear Mr Wardie,

This is to let you know that I terminate my work as a consultant for HEX Technology Limited with effect from Tuesday, 13 April 1999.

I wish all the best to the Company and to you personally.

Sincerely yours

A handwritten signature in black ink, appearing to read 'N Zheludev', written in a cursive style.

Nikolay Zheludev

THIS ASSIGNMENT is made the

5<sup>th</sup> day of July 2000

BETWEEN NIKOLAY ZHELUDEV of 50 Basset Crescent West, Southampton, S016 7DX, United Kingdom.

AND BORIS KOKORIN of

(hereinafter called "the Assignors", which expression where the context so requires shall include their successors in title) of the one part

and HEX TECHNOLOGY HOLDINGS LIMITED

whose registered office is at P.O. Box 301, Queens House, Don Road, St. Helier, Jersey, JE4 8YZ, Channel Islands.

(hereinafter called "the Assignee" which expression where the context so requires shall include its successors in title) of the other part

## WHEREAS:

- (a) the Assignors claim to be the inventors of the invention (hereafter called "the invention") described in the specification accompanying the application for a patent details of which are set out in the Schedule hereto (hereinafter called "the scheduled application")
- (b) the Assignors have agreed with the Assignee to assign or confirm (as the case may be) to the Assignee the invention as hereinafter set forth

## NOW THEREFORE IT IS AGREED AND DECLARED as follows:

1. In consideration of the sum of £1.00 (One pound) paid by the Assignee to the Assignors (receipt of which the Assignors hereby acknowledge) the Assignors hereby assign unto the Assignee to the extent of their respective rights, titles and interests therein (if any):
  - (i) the whole of the property in the invention and all and any rights which each may have therein and the full and exclusive benefit thereof;
  - (ii) the right to apply for and obtain a patent or other forms of protection in respect of the invention in the United Kingdom and throughout the world (including the right to make a further application in respect of any part or parts of the matter contained in any earlier application pursuant to the Patents Act 1977 and any rules made or having effect thereunder);
  - (iii) the scheduled application and any other existing or future application for a patent or other forms of protection in any part of the world made in respect of the invention and all rights in or under such application;
  - (iv) any patent or other forms of protection whenever granted in respect of the invention in any part of the world together with the right to bring proceedings under Section 61 or Section 69 of the Patents Act 1977 for any previous infringement or under Section 58 of the Patents Act 1977 for any previous act.
2. The Assignors hereby covenant and agree with the Assignee as follows:-
  - (i) that they have not assigned or agreed to assign to any person firm or company or otherwise encumbered the invention or any other part of the property and rights hereby assigned;
  - (ii) that they have not disclosed and will not hereafter disclose the invention or any information whatsoever concerning the same to any person firm or company other than the Assignee or as it shall direct or permit;
  - (iii) that they will give to the Assignee all information in their possession or in their power or in the possession or power of any of them relating to the invention and the method of using or employing the same as the Assignee shall require;
  - (iv) that they will as and when requested by the Assignee so to do execute sign and do all such instruments applications documents acts and things as may be required by the Assignee to enable the Assignee or its nominee to enjoy the full benefit of the invention and of the property rights hereby assigned and to apply for and obtain a patent or other forms of protection in respect of the invention throughout the world and fully and effectively to vest the same in the Assignee or as it shall direct.
3. Nothing herein shall prejudice such right, if any, as the Assignors or any of them may have under Section 40 of the Patents Act 1977 to make application for an award of compensation in respect of the invention.
4. In this Assignment words importing the masculine gender shall include the feminine and words importing the singular shall include the plural
5. It is hereby certified that the transaction hereby effected does not form part of a larger transaction or of a series of transactions.

IN WITNESS whereof the Assignors have hereunto set their respective hands and the Assignee has caused these presents to be executed the day and year first before written.

## SCHEDULE

Country of Application	Date of Filing	Number	Title
United Kingdom	29th March 1999	9907253.0	Transmitting and Receiving Apparatus

SIGNED for and on behalf of the Assignee by ) :.....  
in the presence of:

Name of Witness:

Address:

Occupation:

SIGNED by the respective Assignors ) *N Zheludev*  
in the presence of:

Name of Witness:

Address: *25 Kelburn Close, Eastleigh*Occupation: *P.A.*

Name of Witness:

Address: *50 Basset Crescent West, Southampton S016 7DX*Occupation: *TRANSLATOR - INTERPRETER*

THIS ASSIGNMENT is made the

5th day of July 2000

BETWEEN NIKOLAY ZHELUDEV of 50 Basset Crescent West, Southampton, S016 7DX, United Kingdom.

AND BORIS KOKORIN of

(hereinafter called "the Assignors", which expression where the context so requires shall include their successors in title) of the one part

and HEX TECHNOLOGY HOLDINGS LIMITED

whose registered office is at P.O. Box 301, Queens House, Don Road, St. Helier, Jersey, JE4 8YZ, Channel Islands.

(hereinafter called "the Assignee" which expression where the context so requires shall include its successors in title) of the other part

## WHEREAS:

- (a) the Assignors claim to be the inventors of the invention (hereafter called "the invention") described in the specification accompanying the application for a patent details of which are set out in the Schedule hereto (hereinafter called "the scheduled application")
- (b) the Assignors have agreed with the Assignee to assign or confirm (as the case may be) to the Assignee the invention as hereinafter set forth

## NOW THEREFORE IT IS AGREED AND DECLARED as follows:

1. In consideration of the sum of £1.00 (One pound) paid by the Assignee to the Assignors (receipt of which the Assignors hereby acknowledge) the Assignors hereby assign unto the Assignee to the extent of their respective rights, titles and interests therein (if any):
- (i) the whole of the property in the invention and all and any rights which each may have therein and the full and exclusive benefit thereof;
  - (ii) the right to apply for and obtain a patent or other forms of protection in respect of the invention in the United Kingdom and throughout the world (including the right to make a further application in respect of any part or parts of the matter contained in any earlier application pursuant to the Patents Act 1977 and any rules made or having effect thereunder);
  - (iii) the scheduled application and any other existing or future application for a patent or other forms of protection in any part of the world made in respect of the invention and all rights in or under such application;
  - (iv) any patent or other forms of protection whenever granted in respect of the invention in any part of the world together with the right to bring proceedings under Section 61 or Section 69 of the Patents Act 1977 for any previous infringement or under Section 58 of the Patents Act 1977 for any previous act.

## TO HOLD the same unto the Assignee absolutely

2. The Assignors hereby covenant and agree with the Assignee as follows:-
- (i) that they have not assigned or agreed to assign to any person firm or company or otherwise encumbered the invention or any other part of the property and rights hereby assigned;
  - (ii) that they have not disclosed and will not hereafter disclose the invention or any information whatsoever concerning the same to any person firm or company other than the Assignee or as it shall direct or permit;
  - (iii) that they will give to the Assignee all information in their possession or in their power or in the possession or power of any of them relating to the invention and the method of using or employing the same as the Assignee shall require;
  - (iv) that they will as and when requested by the Assignee so to do execute sign and do all such instruments applications documents acts and things as may be required by the Assignee to enable the Assignee or its nominee to enjoy the full benefit of the invention and of the property rights hereby assigned and to apply for and obtain a patent or other forms of protection in respect of the invention throughout the world and fully and effectively to vest the same in the Assignee or as it shall direct.
3. Nothing herein shall prejudice such right, if any, as the Assignors or any of them may have under Section 40 of the Patents Act 1977 to make application for an award of compensation in respect of the invention.
4. In this Assignment words importing the masculine gender shall include the feminine and words importing the singular shall include the plural.
5. It is hereby certified that the transaction hereby effected does not form part of a larger transaction or of a series of transactions.

IN WITNESS whereof the Assignors have hereunto set their respective hands and the Assignee has caused these presents to be executed the day and year first before written.

## SCHEDULE

Country of Application	Date of Filing	Number	Title
United Kingdom	29th March 1999	9907253.0	Transmitting and Receiving Apparatus

SIGNED for and on behalf of the Assignee by .....  
in the presence of:

Name of Witness:

Address: 8 CORNUCAIA COURT, MONT PINEL, ST. HELIER, JERSEY JE2 8UG.

Occupation: PERSONAL ASSISTANT

SIGNED by the respective Assignors ).....  
in the presence of:

Name of Witness:

Address:

Occupation:

Name of Witness:

Address:

Occupation:

**DIRECTORS SERVICE CONTRACT****Date:****1. Parties**

11 March / 97

The Company: **Hex Technology Limited** (company number 3074289) whose registered office is at 14 Sparrowgrove Otterbourne Winchester Hampshire SO21 2DL

The Director: **Boris Kokorin** of 10 Kerrfield Winchester Hampshire SO22 5EX

**2. General**

2.1 This Agreement contains the terms and conditions on which the Director shall serve the company as a Director with the title Research Director

2.2 References in this Agreement to persons shall include (but not be limited to) individuals, firms and corporations.

**3. Commencement**

3.1 This Agreement shall commence on 1 March 1997 and shall continue subject to termination in accordance with clause <sup>9</sup>~~8~~ below.

**4. Duties**

4.1 As Director of Research the Director shall be responsible for the research activities carried out by the Company including but not limited to validation work and application work relating to the Technology (as defined in clause <sup>8</sup> below).

4.2 The Director shall devote such time as is reasonably required by the


Company to the business and interests of the Company and shall act loyally and faithfully to the Company.

5. **Place of Work**

The Directors usual place of work will be Chilworth Research Centre Chilworth Southampton or such other place as is reasonably required by the Company from time to time.

6. **Remuneration**

6.1 The Company shall pay the Director a basic salary of ~~£60,000~~ <sup>£48,000</sup> per annum. 

6.2 The salary shall accrue on a daily basis but will be paid by equal monthly instalments in arrears on the last Friday of each month and shall be paid by way of cheque or bank transfer (at the Company's discretion). 

6.3 The Company shall (on presentation of invoices or vouchers or other evidence of actual payment) reimburse the Director for all expenses reasonably incurred by the Director which he is authorised by the Director to incur from time to time in or about the discharge of his duties under this Agreement.

7. **Sickness Absence**

7.1 If the Director is absent from work on account of sickness or injury, the Director or someone on his behalf should inform the Director of the reason for his absence as soon as possible.

7.2 The Director will be paid his normal fee for up to 30 working days in total of absence during any calendar year of this Agreement.

8. **Intellectual Property/Confidentiality/Documents**

8.1 In this clause and elsewhere in this Agreement, the following expressions shall have the following meanings attributed to them:

**"Documents"** means any and all software, records, reports, documents, papers and other materials whatsoever acquired or originated by or on behalf of the Director in the course of his employment;

**"Improvements"** means any and all improvements, developments, additions or updates in relation to the Technology or any part thereof acquired or originated by or on behalf of the Director during the course of his employment;

**"IPR"** means any and all intellectual property rights of whatever nature worldwide including (but not limited to) patents, utility models, design rights (registered or unregistered), copyright and trade mark rights and any pending patent application or granted patent in any jurisdiction claiming priority from or otherwise divided or derived from any such application;

**"Know How"** means any and all technical and other confidential information in whatever form (written, oral or otherwise) which is now or at any time hereafter in the possession of the Director (including any such information disclosed by the Director to the Company)

and which relates in any way to the Technology and its development including (without limitation) data, know how, formulae, processes, designs, photographs, drawings, specifications, software programs and any other material bearing or incorporating any information relating to the Technology;

**"Samples"** means any and all samples, prototypes, working models and other items acquired or created by or on behalf of the Director during his employment;

**"Technology"** means a method and device for measuring the electro magnetic field generated by living organisms and non living bodies for generating such a field and also producing an effect on (treatment of) bodies with the help of such a field as the same is (for indication purposes only) described in PCT Patent Application number HU93/00043 with international filing date 27 July 1993 together with all modifications and improvements in respect thereof.

8.2 The Director shall keep detailed written records of all acts and things done by him in relation to the performance of his duties for the Company and at the Company's request shall forthwith make available the originals thereof and any Samples for inspection by the Company. For the avoidance of doubt the property in such written

records and Samples shall vest in the Company.

8.3 Forthwith following the acquisition or origination of any Improvement by or on behalf of the Director in the course of the performance of his duties he shall disclose full details of the same to the Company.

8.4 Subject as set out in sub-clause <sup>8</sup>~~7~~8.2, the Director hereby assigns to the Company or its nominee all IPR in and to any Improvements and all right, title and interest in all Know How acquired or originated by him or on his behalf in the course of the performance of his duties.

8.5 The Director shall keep details of all Improvements, Know How and Documents secret and confidential and shall not at any time for any reason whatsoever use them or disclose them or permit them to be disclosed to any person or persons except with the prior written consent of the Company.

8.6 The Director agrees to treat secret and confidential and not at any time for any reason whatsoever to disclose or permit to be disclosed to any person or persons or otherwise make use of or permit to be made use of any information relating to the Company's technology, technical processes, business affairs, business plans, customers or finances.

8.7 The obligations of confidence set out in this clause <sup>8</sup>~~11~~ shall not apply to any Improvement, Know How or Document or any information embodied or contained therein insofar as the same:-



- 8.7.1 is or becomes publicly available on a non confidential basis through no fault of the Director;
- 8.7.2 is received in good faith by the Director from a third party who, on reasonable enquiry by the Director, claims to have no obligation of confidence to the Company in respect of it and who imposes no obligations of confidence upon the Director.
- 8.8 The undertakings of the Director set out in this clause 8:
- 8.8.1 shall survive without limit in point of time (including after termination of this Agreement) except as set out in clause 8.7;
- 8.8.2 shall take effect subject to the provisions of any law to the contrary (including the Patents Act 1977);
- 8.8.3 shall be without prejudice to the rights of the Company which may arise otherwise than by virtue of this Agreement.
- 8.9 The Director agrees at any time hereafter (both during and after termination of this Agreement) at his own expense to execute such further documents and do such further acts as may be reasonably required by the Company to ensure the vesting in the Company of all right, title and interest assigned pursuant to the provisions of this clause 8 and/or to secure effective protection of the same.
- 8.10 Upon the termination of this Agreement for whatever reason, the Director shall forthwith deliver up to the Company the originals of all tangible Know How and Documents and all copies thereof together with any Samples in the possession, power, custody or control of the

Director.

**9. Termination of Employment**

- 9.1 The length of notice which the Director is obliged to give to the Director to terminate his employment is three months.
- 9.2 The length of notice which the Director is entitled to receive from the Company to terminate his employment is three months.
- 9.3 Termination of this Agreement for any reason shall not affect the accrued rights of either party or the continuance in force of those clauses expressed or intended to remain in force.

**10. Miscellaneous**

- 10.1 The Director warrants that:
- 10.1 he has full power and authority to enter into this Agreement;
- 10.2 nothing in this Agreement conflicts with any obligations of the Director towards any other person.
- 10.2 This Agreement shall in all respects (including formation and interpretation) be governed by the Laws of England and subject as set out below the parties shall submit any dispute hereunder or arising in connection herewith to the exclusive jurisdiction of the English Courts. The Company shall be entitled to pursue its rights and remedies in respect of a breach of the confidentiality obligations imposed upon the Director in the courts of any jurisdiction.
- 10.3 This Agreement embodies and sets forth the entire agreement and understanding of the parties and supersedes all prior oral or written agreements understandings or arrangements relating to the subject matter of

this Agreement. Neither party shall be entitled to rely on any agreement understanding or arrangement which is not expressly set forth in this Agreement.

- 10.4 No waiver by the Company of any breach by the Director of his obligations undertakings or warranties shall affect the subsequent enforcement of the Company's rights and remedies in relation to that or any other breach.
- 10.5 Any notice (including any disciplinary warning) required or authorised by this Agreement to be given by either party to the other may be given by hand or sent (by first class pre paid post facsimile transmission or comparable means of communication) to the other party at the address referred to at the head of this Agreement. Any such notice given by post shall be deemed to have been given on the second working day after the envelope containing the same was posted and proof that the envelope containing any such notice was properly addressed and sent by first class pre paid post shall be sufficient evidence that notice has been duly given. Any such notice sent by facsimile transmission or comparable means of communication shall be deemed to have been duly given on the date of transmission.
- 10.6 Where there is more than one language version of this Agreement the English Language version shall prevail.
- 10.7 The Director acknowledges that he has had ample opportunity to take his own legal advice in connection with this Agreement.

**IN WITNESS WHEREOF** the parties have executed this Agreement the day and year first

above written.

**SIGNED** for and on behalf of  
**HEX TECHNOLOGY**  
**LIMITED** by:



**SIGNED** by **BORIS KOKORIN**  
in the presence of:



D. R. Pish

R. M. WARRER  
16, 05 1451 Dec  
president.

Exhibit



**Hex Technology Ltd.**

Suite D, Epsilon House,  
The Science park,  
Enterprise Road,  
Chilworth Research Centre,  
Southampton, SO16 7NS

Tel: +44 (0) 1703 766321

Fax: +44 (0) 1703 766324

Email: hex.tech@dial.pipex.com

To Whom It May Concern:

19<sup>th</sup> November 1998

**Directors meeting was called today, 19<sup>th</sup> November 1998, of HEX Technology Limited. This was followed a Shareholders meeting, this was followed by a further Directors meeting. Meeting held at 11.30 a.m.**

***Directors present:***

Boris Kokorin

Richard Wardle

Michael Fowkes

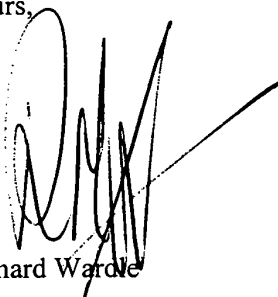
The purpose of the initial meeting was to discuss the way forward for the company. The Directors were not able to agree on the correct way forward.

This was followed by a Shareholders meeting where on a vote taken Mr. Kokorin was asked to resign as a Director of HEX Technology Limited.

This was followed by a further Directors meeting at which Boris Kokorin was offered alternative reasonable employment by the company, Boris Kokorin refused this offer and it was explained that he was now dismissed from the company and he agreed to leave the premises.

It was also explained to Mr. Kokorin that he should not leave the premises with any paperwork belong to HEX Technology Limited as this could lead to legal action.

Yours,



Richard Wardle

Michael Fowkes

## DEED OF TRANSFER

THIS DEED is made this 2<sup>nd</sup> day of May 2002

### BETWEEN

Hex Technology Limited, of 14 Sparrow Grove, Otterbourne, Winchester,  
Hampshire, SO21 2DL, England (Hex Technology)

### AND

Hex Technology Holdings Limited, of 40 Esplanade, PO Box 302, St. Helier,  
Jersey JE4 8UG, Channel Islands, United Kingdom (Hex Holdings)

### RECITALS :

By virtue of an Agreement dated 11th July, 1996 between Hex Technology and Hex Holdings, Hex Technology agreed inter alia to assign to Hex Holdings all intellectual property rights, including patents and patent applications for technology developed by or for Hex Technology; including patent applications set out in the Schedule hereto ("The Patent Applications")

### OPERATIVE PROVISIONS :

1. Hex Technology hereby assigns with full title guarantee unto Hex Holdings all its rights, title, interest and property in the Patent Applications and all inventions described and claimed therein, the full and exclusive benefit thereof, and all rights, privileges and advantages appertaining thereto, together with the right to obtain any extensions and supplementary protection certificates, together with the right to recover

and to bring proceedings to recover damages and/or to obtain other remedies in respect of infringement of the Patents whether committed before or after the date of this Deed, free from all licenses, charges and other encumbrances, both in the United States and all other parts of the world, to the intent that the Patent Applications and said invention shall be in the name of and shall vest in Hex Holdings TO HOLD the same unto Hex Holdings absolutely;

2. This Agreement shall be governed by and construed in accordance with the laws of England & Wales and the parties for this purpose hereby submit to the exclusive jurisdiction of the Courts of England & Wales.

**IN WITNESS** whereof the parties have executed this document as a Deed on the first date above written.

**THE SCHEDULE**

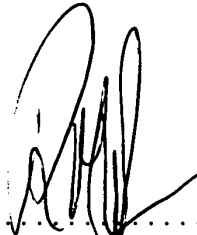
Country	Application No. (Patent No.)
United Kingdom	9907253.0
International PCT	PCT/GB00/01199
United States	09/937736

SIGNED, as a Deed, by Hex

Technology Limited

)

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(Signatory)

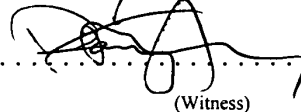
In the presence of DARYL PENNY

4 CARNESTIE COURT

READING

RG1 4PE

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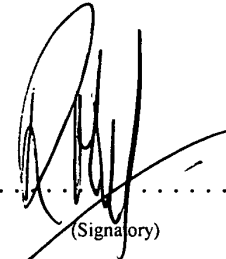
(Witness)

SIGNED, as a Deed, by Hex

Technology Holdings Limited

)

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(Signatory)

In the presence of DARYL PENNY

4 CARNESTIE COURT

READING

RG1 4PE

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(Witness)

: 153743: REBC: JRA: READDOCS